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CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES

April 29, 2011

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEES:

INTERIOR, ENVIRONMENT,
AND RELATED AGENCIES
CHAIRMAN

ENERGY AND WATER DEVELOPMENT

LABOR, HEALTH AND HUMAN SERVICES,
EDUCATION, AND RELATED AGENCIES

COMMITTEE ON BUDGET

The Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Dear Chairman Genachowski:

We write to express our concern regarding the apparent direction of the FCC's current efforts to reform the Universal Service Fund and intercarrier compensation system, which seem to fail to anticipate the profound negative effects such changes could cause for rural America. With low population density, large geographic distances and, in many cases, large portions of federal land, providing broadband in these areas can be difficult and costly. Yet since the 1930s, the contributions that rural America makes to our economy, from agriculture to mining to forestry, have led Congress to enact policies to incentivize the provision of ubiquitous telecommunications and electric service throughout our entire country. That is the reason the current Universal Service Fund and intercarrier compensation rules exist: to make sure that there is not a divide between urban and rural areas when it comes to the opportunity to obtain these important services.

We fear your current course of action could result in important broadband services becoming unavailable to many of our constituents. We represent some of the most sparsely populated and geographically challenging places in the United States, areas rich in agriculture and natural resources but without robust urbanized infrastructure. Our constituents depend upon the availability of these services now, and reform efforts must not tilt the playing field in such a manner that it harms rural America. As broadband becomes even more important than it is today, these communities cannot flourish should telecommunications policy shift resources toward urban areas at the expense of rural areas. We are not talking simply about the future viability of the companies serving these areas; we are talking about the future viability of these communities.

The FCC should ensure that the Universal Service Fund and intercarrier compensation reforms are done in an efficient manner, and if possible, through a smaller budget. As fiscal conservatives, we note that the proposed National Broadband Plan is not designed to reduce expenditures, but rather, to redirect them to urban areas. Please be sure that as you proceed with your reforms, you do not withdraw support that enables the investments in our rural communities to continue. They depend on you.

Sincerely,

Mike Simpson
Member of Congress

Raúl Labrador
Member of Congress

0580
WCB
ICC



FEDERAL COMMUNICATIONS COMMISSION

JULIUS GENACHOWSKI
CHAIRMAN

November 17, 2011

The Honorable Mike Simpson
U.S. House of Representatives
2312 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Simpson:

Thank you very much for your letters regarding the Commission's efforts to reform and modernize the Universal Service Fund (USF) and the intercarrier compensation system (ICC). Your thoughts and concerns were a valuable contribution to our process, and were considered as part of the Commission's deliberations.

On October 27, after many years of hard work on Capitol Hill, among the FCC's Commissioners, and by Commission staff, the Commission unanimously adopted a comprehensive Order overhauling the broken and backward-looking USF and ICC systems for the Internet age. By transitioning these programs to the Connect America Fund, we are delivering on our shared national goal of universal voice and broadband service – including universal mobile voice and broadband service – and enabling increased private sector investment in the indispensable infrastructure of the 21st century: broadband. Importantly, our reforms are fiscally responsible, eliminating waste and inefficiency, using market-based mechanisms to target support where it is needed, and putting the Fund on a firm budget.

The Commission's Order will create jobs beginning in 2012, and lay the foundation for enduring job creation, economic growth, and U.S. global competitiveness for years to come.

For your information, I am enclosing a copy of the Order's "Executive Summary." Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to be "J. Genachowski", is written over a horizontal line. The signature is stylized with a large, sweeping initial "J".

Julius Genachowski

Enclosure